

New Jersey's Office of Faith-Based Initiatives 2014 Social Enterprise & Entrepreneur Development (SE²D)Project Opportunity T/TA

New Jersey Department of State

Friday, May 3, 2013

PSEG, 80 Park Place, Conference Room 101, Newark, NJ 07102

Tuesday, May 21, 2013

The Division of Archives and Records Management (Record Storage) 2300 Stuyvesant Avenue., Trenton, NJ 08625

Wednesday, May 22, 2013

Rutgers, School of Social Work Building, 217 North 6th Street, Camden, NJ 08102

THE T-TA OVERVIEW

Section 1: Registering and accessing the System for Filing Grants Electronically (SAGE)

Section 2: 2014 OFBI SE²D Project Grant Description

Section 3: Application Guidelines



SECTION 1

Registering and accessing the System for Filing Grants Electronically (SAGE)



SYSTEM REQUIREMENTS

Operating System

 NJDOS SAGE was designed to work with both of the two most common computer operating systems - Windows and Macintosh.

World Wide Web Connection

 NJDOS SAGE is an Internet application. It is accessed via the Internet and was specifically designed for Internet usage.

Web Browser

 This system was designed to be compatible with common up-to-date web browsers including Internet Explorer, Firefox, Safari, and Opera.

Adobe Acrobat Reader

 Adobe Acrobat Reader is used to view PDF (Portable Document Format) documents. The system will generate grant documents in PDF format using information that has been saved into the various narrative and budget pages.

SAGE WEBSITE

www.sage.nj.gov



NJDOS SAGE System Homepage

To access SAGE, type www.sage.nj.gov into the address bar of your web browser and hit "Enter". The page you see should look like the image shown below.

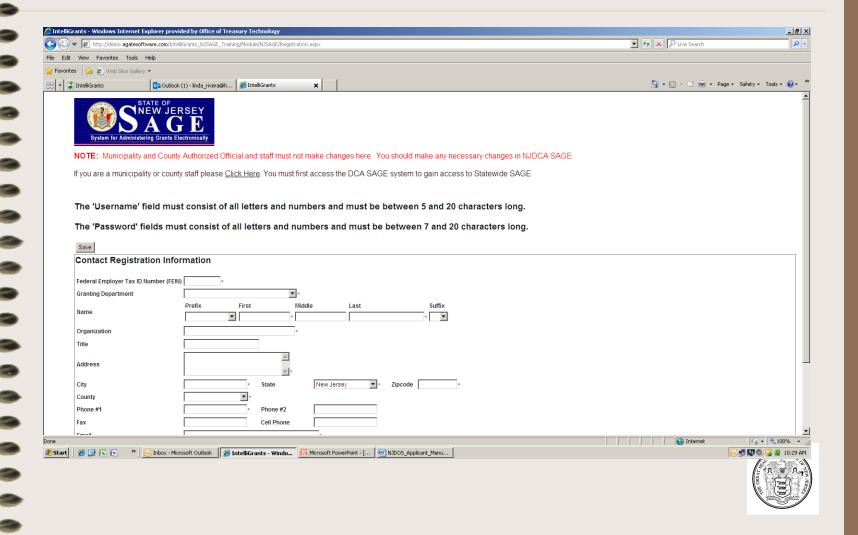


Gaining access to SAGE if you are a non-profit organization:

In order to use the system you must first be granted access to it.

If you are a non profit organization to create a new user account:

From the NJDOS SAGE (sometimes known as the Blue SAGE Page) homepage (www.sage.nj.gov) click the "New User?" link located in the "Login" section.



SAGE (Cont.)

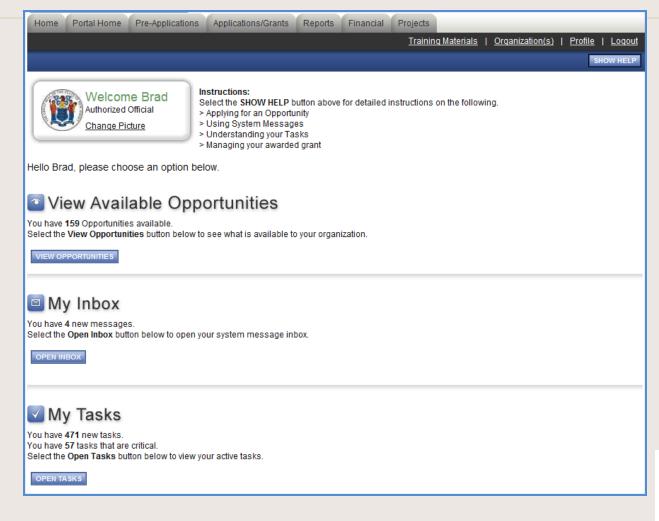
- Select the **Department of State** as the Granting Department
- Complete the user form in its entirety.
- Fill in all information as required. All items marked with an '*' are required.
- The 'Username' field must consist of all letters and numbers.
- The 'Password' field must consist of all letters and numbers and must be at least 7 characters long.
- The fields 'Password' and 'Confirm Password' must be the same.
- Make a note of your username and password.
- The Person who is to be the Authorized Official for the Organization completes the page, including Organization and title. (See Section 5 "Applicant User Types" for definitions of Authorized Officials and other user types.)
- If Organization and Title are not included your validation will be delayed.
- Click "Save" to save the data.

SAGE (cont.)

- NOTE: Once you create a user account and gain access to the system, you will never have to request access again. There is no need for multiple accounts within NJDOS SAGE. Having saved your contact information, your account must then be approved by a Department of State administrator before you can access the system.
- If you attempt to log in to the system prior to getting approved/validated by a system administrator you will receive the following message: Your account has not been validated yet.
- When access has been granted you will receive an email message confirming that your account has been validated.



Your Main Page – (Items to edit)



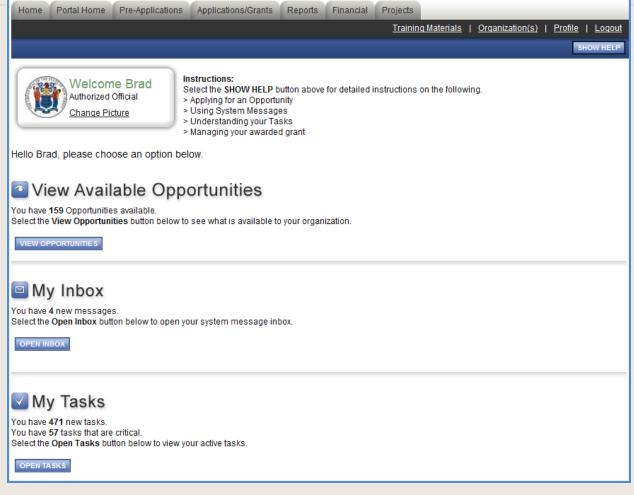


Items to Edit – User Profile

				<u>Tr</u>	aining Materials	<u>Organization(s)</u> <u>Profile</u> <u>Logou</u>		
						SAVE SHOW HELI		
O Back								
Profile								
Please complete all the required fields below. Required fields are marked with an *.								
Contact Information								
	Prefix	First	Middle	Last	Suffix			
Name	•	Brad		Jersey	* 🔻			
Organization	NJDOT		*					
Title								
	1231	_						
Address		÷ *						
City	Okemos	* State	Michigan	▼ * Zipcode	48864 *			
County	Alcona County	*						
Phone #1	(989) 555-6523	* Phone #2						
Fax		Cell Phone						
Email	jpost@agatesoftwar	re.com	*					
Website								
Username	bjersey	*						
Password		* Confirm Pa	assword	*				
Organization Information								
Organization			Role	Active Date	s	Assigned By		
ABSECON CITY SCHOOL DISTRICT			Authorized Officia	al 05/14/2012	- open ended	Sir Josh		



Your Main (HOME) Page – (Items to edit)

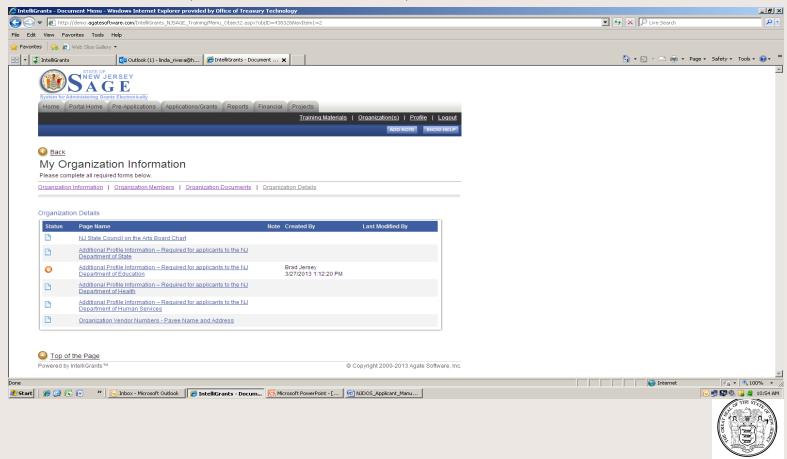




Items to Edit – Organization Information

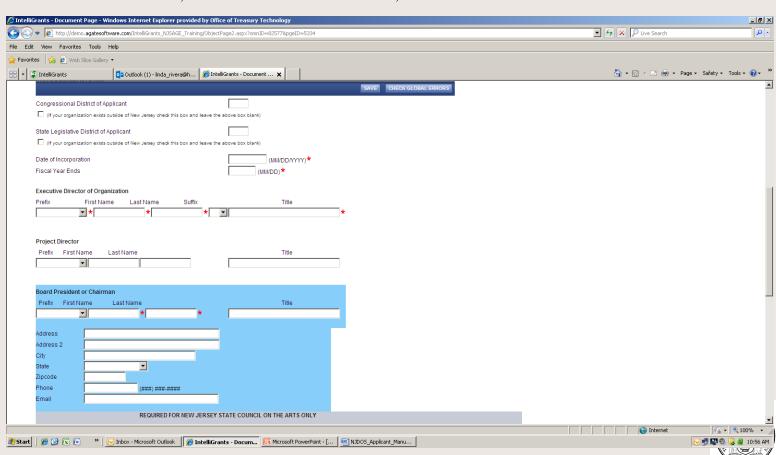
Organization - ABSECON CITY SCHOOL DISTRICT							
Please complete all the required fields below. Required fields are marked with an *.							
Organization Information Organization Members Organization Documents Organization Details							
Organization Information							
Name	ABSECON CITY SCHOOL DISTRICT *						
Federal Tax I.D. Number	216000928 *						
DUNS Number	60-312-3753						
SAM CAGE Code							
Address	800 Irelan Avenue						
	*						
City	Absecon * State New Jersey ▼ * Zipcode 08201 *						
County	Atlantic County *						
Phone	609-641-5375 * Fax 609-641-8692						
Email	jgiaquinto@abseconschools.org						
Website	abseconschools.org						

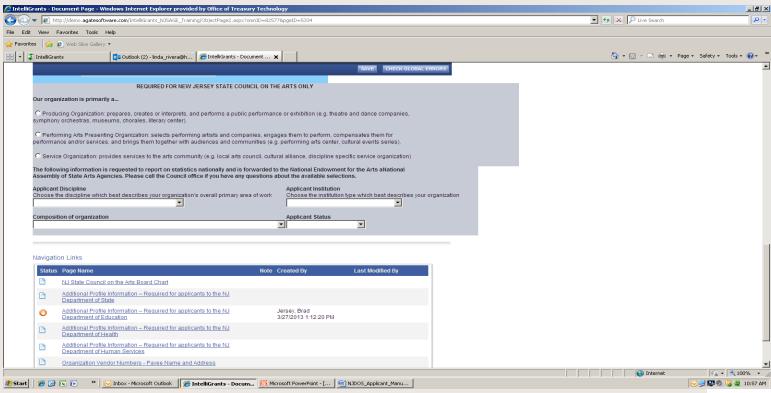






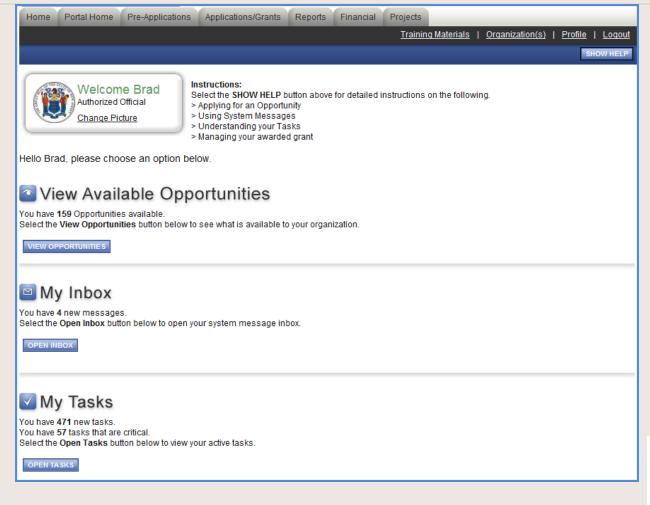








SAGE (locating application)



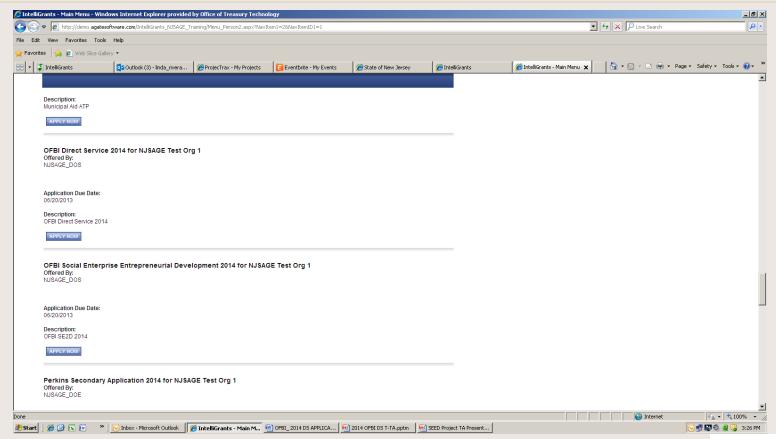


SAGE (locating application)



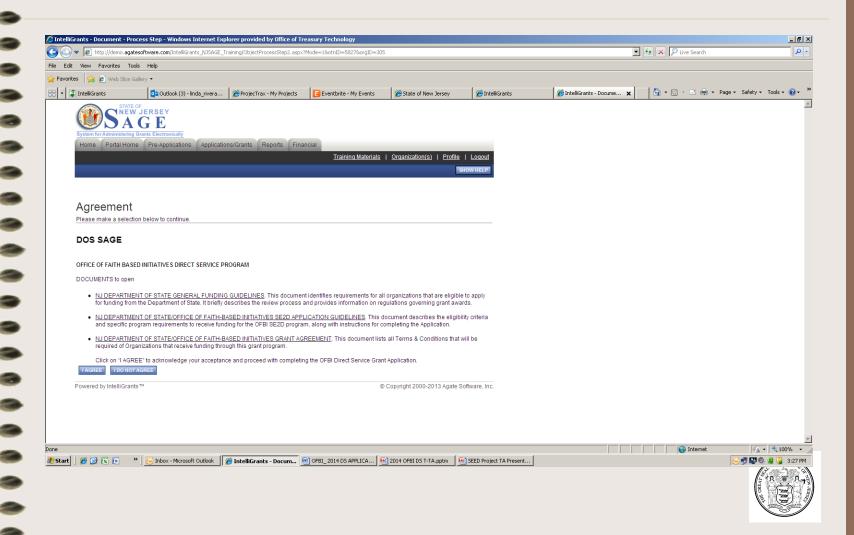


SAGE (locating application)

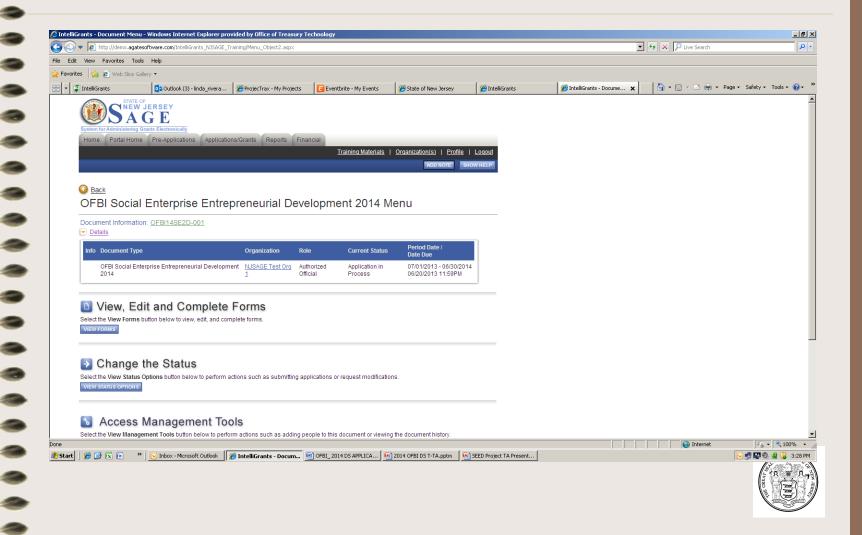




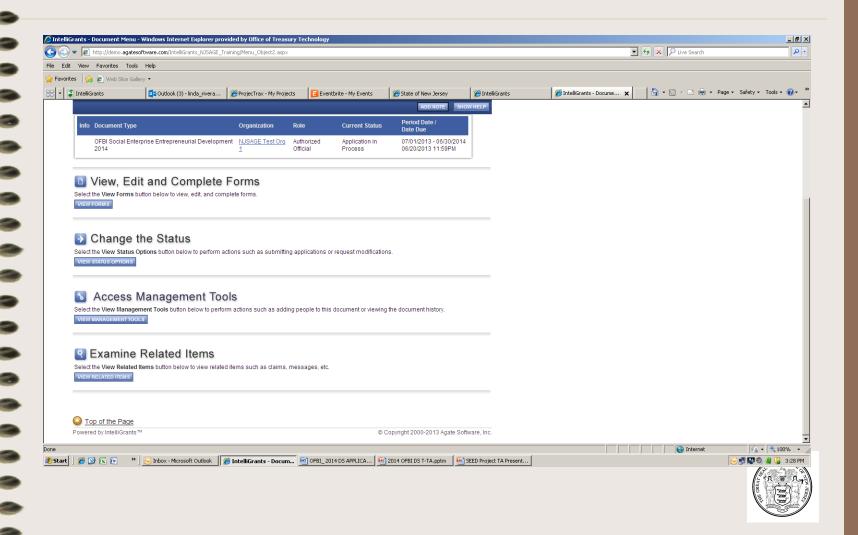
SAGE (entry page)



SAGE (application main page)



SAGE (application main page)



Social Entrepreneur & Enterprise Development (SE²D) Project

Social Innovation: A Breed of New Leadership



The Role of Social Entrepreneurship and the NJOFBI

ETI

NP ETI

 New Vision for Social Entrepreneurship and the NJOFBI



New Vision for the NJOFBI

- To nurture an environment that allows for the development of Social Entrepreneur Ventures (SEVs) & Social Innovative Programming that create innovative approaches to address social issues.
- These innovative approaches will drive the complete capital market to eventually scale promising and potentially transformative community based approaches that solve intractable social issues.



Creating a New Truth

- Arthur Schopenhauer observed
 - -"every truth passes through three stages. First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self evident"



Why Hasn't Innovation Happened?

US Economy Success in Innovation

- Moore's Law re-doubling computer processing speeds and memory every 24 months
- Gains in medicines leading to a 50% reduction in death rates from coronary heart disease & childhood cancers

Social Sector

- Frozen in time
 - Since war on Poverty the real median incomes among the poorest 20% hasn't moved
- Our national test scores on math and reading have not changed either



Why has the Social Sector Been Stuck?

- Lack of a rigorous evidence in determining which innovations are adopted and which are not.
- Social Innovation can create the rigorous feedback loop we need to correctly allocate government's abundant social sector resources.
 - Abundant because government dedicates tremendous resources and talent towards addressing our most intractable social problems;
 - Vastly more money than all philanthropy combined.

Define

- **Social Innovation** New ideas that work in meeting social goals.
- Social Entrepreneurship Social entrepreneurship is innovative social value creating activities that can occur within or across the nonprofit business and public sectors.
- Social Innovative Programming is the development and eventual scaling of promising and potentially transformative community based approaches that solve critical problems.
- **Social Enterprise Venture** is an organization, or activity within an organization that "harnesses the power of the market place to solve critical social or environmental problems through direct service."

What is a Social Enterprise Venture

- Is an organization, or activity within an organization that harnesses the power of the market place to solve critical social or environmental problems.
- It's an organization or venture (within an organization) that advances a social mission through market-based strategies. These strategies include receiving earned income in direct exchange for a product, service or privilege.



Differences Between SE and Businesses, Nonprofits, and Government

- It directly addresses an intractable social need and serves the common good, either through its products and services or through the number of disadvantaged people it employs.
- Its commercial activity is a strong revenue driver, whether a significant earned income stream within a nonprofit's mixed revenue portfolio, or a for profit enterprise.
- The common good is its *primary* purpose, literally "baked into" the organization's DNA, and trumping all others.



SE Venture Types

- Education and Training: use training to advance the field they work (i.e., summer institute for teachers, training for graduate students)
- Retail/thrift shop
- Consulting services
- Housing and construction (i.e., Chicago's Hispanic CDC)
- Food service/catering
- Arts venture (theatre companies, arts education organizations or museums



SEV Examples

- Elijah's Promise, New Brunswick
- Gulf Coast Enterprise, Florida works with people with disabilities
 - Government contracts Naval Air Station
- Triangle Residential Options for Substance Abusers, North Carolina
 - Moving company
 - Lawn care business
- Nuestra Raices, Massachusettes
 - Promotes urban agriculture
 - Community gardens that produce \$1,000 worth of organic produce each year
- Workforce Inc., Indiana
 - Training and hiring ex-offenders to work in its e-waste business



NFF State of the Sector Survey

Demand for services

- 78% increase in 2012
- 85% increase in 2013

Resources not keeping up with demands

- 50% of nonprofits are not able to meet demand
- Government contracting rarely covers full cost of services
- 1 in 3 orgs received less government resources in 2012 than in 2011



NFF State of the Sector Survey (cont)

Imperative to change

- 2 in 5 orgs lack the mix of financials to be effective over the next 3 years
- 2 in 5 plan to fundamentally change how they raise and spend money

Federal Government

2014 federal budget proposes to catalyze the development of social innovation at the state and local level @ \$500,000,000.00

- \$185 million to support social innovative projects in the areas of job training, education, criminal justice, housing, and disability services
- \$300 million social finance incentive fund at the Dept. of Treasury to help state and local governments implement social financed program for successful money saving services
- 5% of proceeds from sale of excess federal property to support social innovative programs that save tax payers money by reducing homelessness

What is the Alchemy?

- Passion
- Focus
- Idea
- Execution
- Solutions Oriented
- Asset/Deficit Based Thinking
- Resource Magnate
- Deep and Unshakeable Obligation to a Cause



Passion

High level of passion....not fleeting

Will cover a multitude of sins

• Sustains you in this very lonely endeavor of being on the cutting edge of social change

Focus

- Permitting clear perception or understanding; directed attention
- Ability to execute because of focus because of deep & regular business planning
- Having the right people on the bus
- Testing the idea time and time again

Idea/Plan & Execution

- The idea of having a plan, a flexible plan
- It's not about the idea, you need to execute on it
 - You have to prove your model of social change is having an impact
 - You have to build upon your mission driven business

Solutions Oriented

 Being in the business of solving problems rather than being in the business of generating ideas

 Must be able to show progress in solving the problem your organization is in the business to solve



Asset/Deficit Based Thinking

 Deficit Based Thinking: Sees only problems with no solution

- Asset Based Thinking: Every problem the rest of us see, a Social Entrepreneur will see an opportunity for social change
 - Executing against all odds when everyone else sees problems, you see opportunities

Resource Magnate

- Capable of drawing to the cause
 - -Financial Capital
 - -Human Capital



Unshakeable Obligation to a Cause

- Foundational quality that's built upon daily.
 - -The foundational belief is self sustaining



Transitioning from an old way of thinking to creating a New Truth.

What we use to do ...

- OutcomeObjectives
- Collaboration
- Grants

What we need to do ...

- PerformanceMeasurement
- Collective Impact
- Social Finance
 - Complete Capital Market
 - SIB social finance mechanism

What we Need to Do

- Develop good performance measurement systems: provides vital information for advancing social innovation: the process of developing, testing, and honing new and potentially transformative approaches to existing social issues.
- Embrace Collective Impact: Common Agenda, Shared Measurement, Mutually Reinforcing Activities, Continuous Communication, Backbone Org.
- Social Finance: Bringing together the capital market to support the resources needed by enterprising nonprofits.

The goals of the SE²D project:

Goal I:

• To be a national and international leader in creating a sustainable environment where SEVs flourish and grow.

Goal II

• To develop effective social financing approaches designed to drive the complete capital market.

Goal III

• To enhance the capacity of faith and community based organizations become investment ready and launch promising and potentially transformative community based approaches that solve intractable social issues.

ELIGIBILITY CRITERIA

To be eligible to submit an application for the **SE**²**D** Project an applicant must submit a joint application as the lead agency in conjunction with its social purpose alliance.

The Lead Agency must:

- Be a faith-based non-profit and/or community-based organization;
- Be incorporated in the State of New Jersey as a non-profit corporation or a foreign non-profit corporation. A foreign non-profit corporation must provide a copy of the corporation's "Certificate of Authority";



ELIGIBILITY CRITERIA (CONT.)

- Be tax-exempt
- Be in good standing with the Department of Treasury, Business Service Center;
- Be registered with the New Jersey Division of Consumer Affairs, Charitable Registration and Investigation Section.
- Social Purpose Alliance Support Letters

Houses of Worship are not eligible to apply as lead agencies

ELIGIBILITY CRITERIA (CONT.)

Social Purpose Alliances:

- May not partner with the lead organization's sister organization and/or for profit and nonprofit organizations led by the same person or governing entity;
- Houses of Worship are eligible to partner as a collaborating organization, but cannot receive state funds that are granted to lead organizations.



Program Funding Provisions

All grant recipients will be required to comply with all items listed below:

- 1. Nondiscrimination by Religious Organizations and Entities
- 2. Recognition of Cultural Sensitivity



General Information

Applicants can only apply for <u>one</u> funding category.

Awards are subject to the availability of funding.



\$\$ Investment Opportunity (FUNDING) \$\$

\$340,000 will be awarded for the period beginning July 1, 2013 through June 30, 2014.

Service Category	Maximum	Total Funding
	Request	Available
SE ² D Project I	\$50,000	\$250,000
SE ² D Project II	\$22,500	\$90,000



Funding Categories - SE²D I

- <u>SE²D Project I</u> will provide capital formation investments (grants) to existing SEVs with the intent to leverage the SE²D Projects capital investment with other private investments designed to grow and scale the enterprise.
- The overall goal for <u>SE²D Project I</u> is to determine the social impact of their enterprise by how many additional individuals will be trained and hired by the enterprise within the first year. <u>SE²D Project I</u> must also identify complete capital investors and make at minimum two pitches to access investment opportunities within the contract year.



Funding Categories - SE²D I

SE²D Project I

- Must provide a 25 percent cash match or \$12,500 of the total award. 25 percent or \$3,125 of the cash match must be on hand on day of submittal. The complete match must be on hand on date of contract execution
- SEV must be beyond the development stage and at the growth stage;
- They must have been in operation for at least 1-3 years;
- Currently generates revenue
- Participate in the capacity building entrepreneur training to determine the effectiveness of its business plan.
 - The cost for the business plan development training will be incorporated into the SE²D Project budget at \$700 per participant
- Participate in an entrepreneur mentoring component by entrepreneurs that have expertise in scaling enterprise

Funding Categories - SE²D II

- The goal of **SE²D Project II** is to provide capacity building capital to nonprofit organizations that are in the emergent stage of forming **SEVs**
- **SE²D Project II** is seeking to determine how many individuals will participate in training, the duration of the training and the number of participants that will be hired to support the enterprise.
- **SE²D Project II** must identify potential investors to launch their project within the first year of the program.
- **SE²D Project II** must also develop a sound business plan, identify potential investors, and pitch their idea to access working capital prior to the end of the contract year.



Funding Categories - SE²D II

- Must provide a 25 percent cash match or \$5,625. 25 percent or \$1,406 of the cash match must be on hand on day of submittal. The complete match must be on hand on date of contract execution
- Must commit to attend mandatory capacity building entrepreneur training sessions;
 - Two Day Social Entrepreneur Boot Camp (SEBC).
 - Participation by the organization's executive director, board president, board treasurer, and board secretary is mandatory
 - The cost for both the boot camp and the business plan development training will be incorporated into the **SE²D** Project II budget at \$1,400 per participant



Application Requirements

• The proposal is to be submitted via the Department of State System for Filing Grants Electronically (SAGE) system no later than 4:59PM, June 20, 2013.

• Applicants will be notified of the results in August 2013.



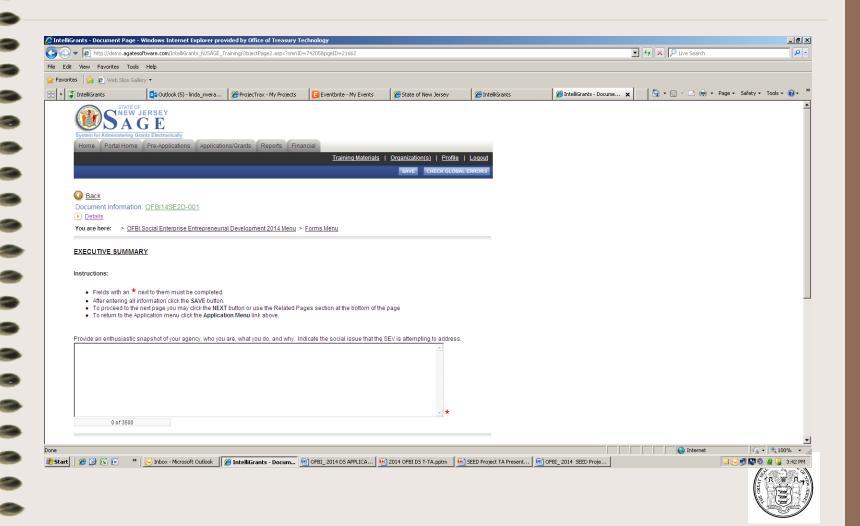
APPLICATION FORMAT

SECTION 1 Executive Summary

SE²D Project I & II: The executive summary should provides an enthusiastic snapshot of your SEV, explaining who is launching the SEV, what's it suppose to do and why. It must also indicate the social issue that the SEV is attempting to address. The executive summary should make the reader want to learn more and have a basic understanding of the SEV



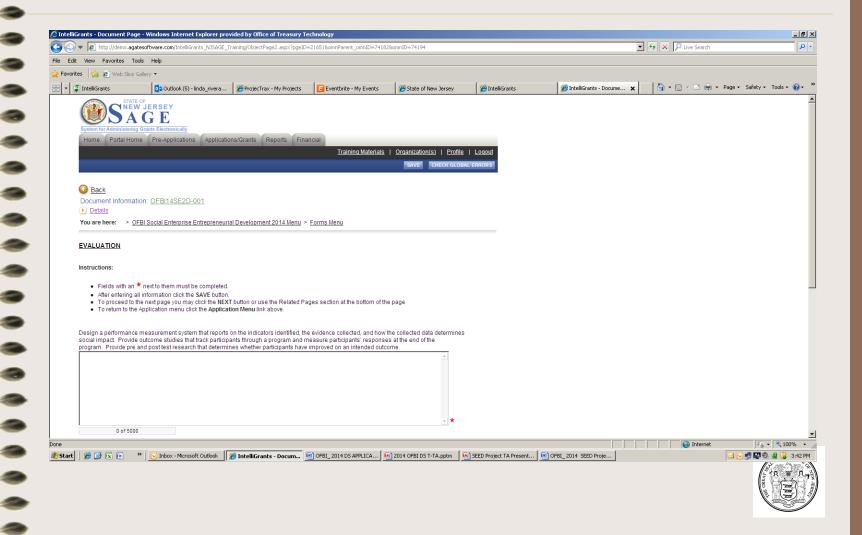
SAGE (executive summary)



SECTION 2 Evaluation:

- The SE²D Project is focused on promising SEVs that have sufficient evidence of the effectiveness of their model and organizational capacity to justify at least limited growth as the organizations moves towards proven stage.
- SE²D Project must design a performance measurement system that reports on the indicators identified, the evidence collected and how the collected data determines social impact.

SAGE (evaluation)



SECTION 3 Business Plan

The following sections must be addressed in your business plan. Business Description and Vision

- SEV mission statement;
- SEV vision statement (statement about current and future growth);
- SEV social and business goals and objectives;
- Brief history of the SEV;
 - <u>SE²D Project II</u> Overview of the idea and how and why it was developed. How has it changed over time to the idea that your seeking support for.



Definition of the Market

- Describe the SEV industry and outlook;
- Define the critical needs of your perceived or existing market;
- Identify your target market;
- Provide a general profile of your targeted clients;
- Describe what share of the market you currently have and/or anticipate.

Description of Product and Services

- Specifically describe all of your products and services;
- Explain how your products and services are competitive;
- If applicable, reference a picture or brochure of your products, which would be included in the plan's appendix.



Organization & Management

- Provide a description of how your SEV is organized as well as an organization chart;
- Identify necessary or special licenses and/or permits your business operates with or needs to operate with
- Provide a brief bio description of key manager that will launch the SEV

Marketing and Sales Strategy

- Identify and describe your market (who your customers/clients are and what the demand is for your product & services);
- Describe your channel of distribution (if applicable);
- Explain your strategy to pricing, promotion, product and place



Financial Requirements

Financial Management

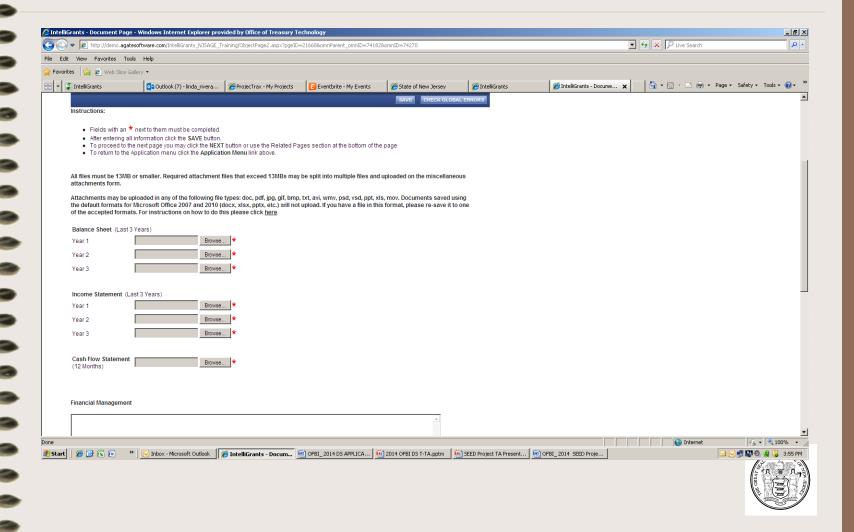
- SE²D Project I
 - Balance sheets (last 3 years)
 - Income statements (last 3 years)
 - Current cash flow statement (2012)

- SE²D Project II

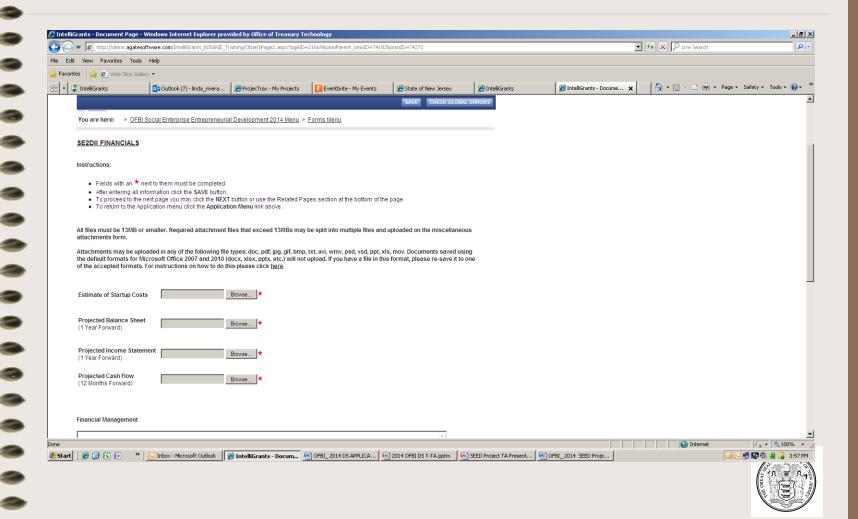
- Estimate of start up costs
- Projected balance sheet (1 year forward)
- Projected income statement (1 year forward)
- Projected cash flow statement (12 months forward)



SE²D I - Financials



SE²D II - Financials



SECTION 4 Budgets

Complete all budget forms included in this RFP on the SAGE system.

- Cost for training must be included in the budget
 - <u>SE²D Project I</u>: \$700
 - <u>SE²D Project II:</u> \$1,400



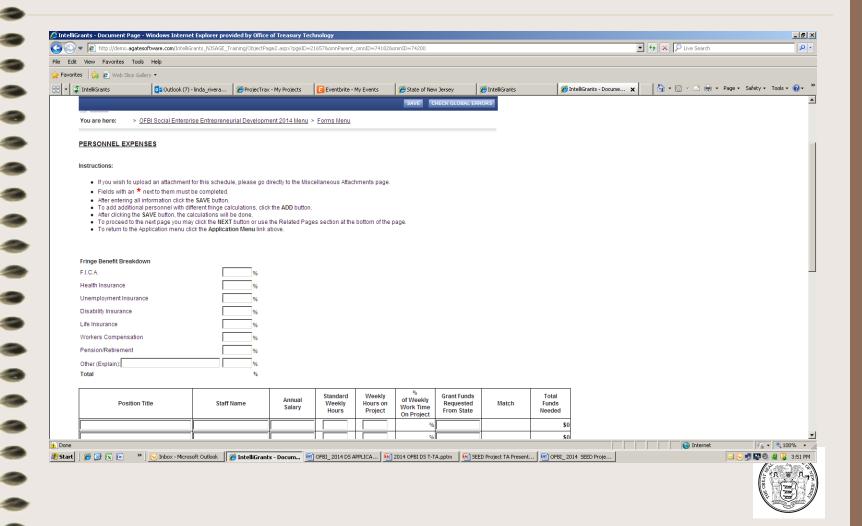
Budget Design Considerations

Consider using project funds for the following:

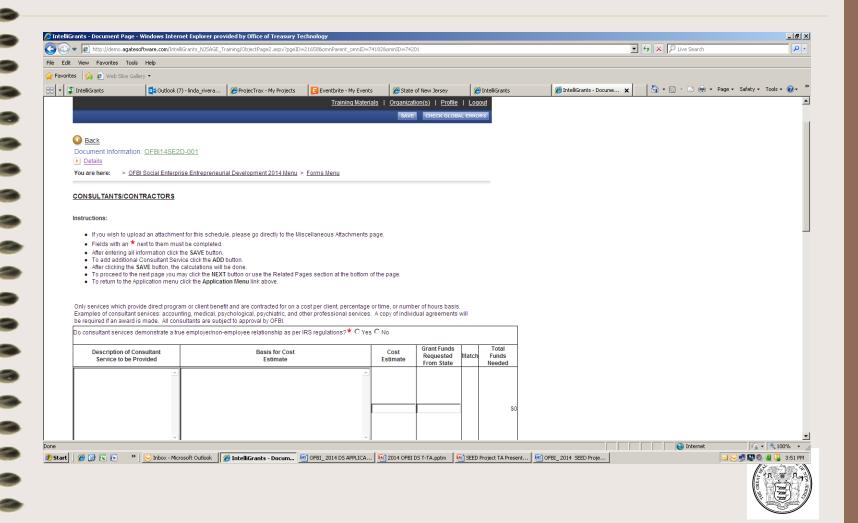
- supplies, equipment, and resources necessary to implement projects and activities;
- Technology (not to exceed \$2,000)
- Salaries
- development and dissemination of curricula, handbooks, instructional videos and other resources to promote and educate school and community participants.
- Mandatory training costs



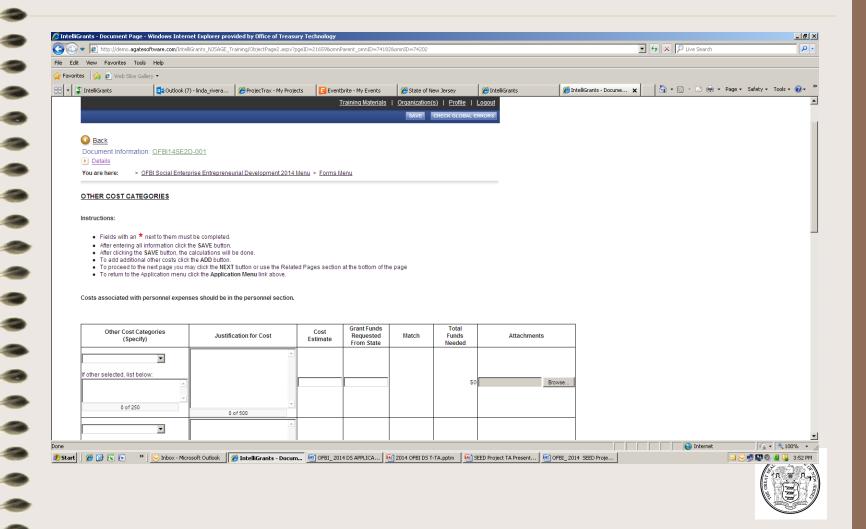
SAGE (personnel expenses)



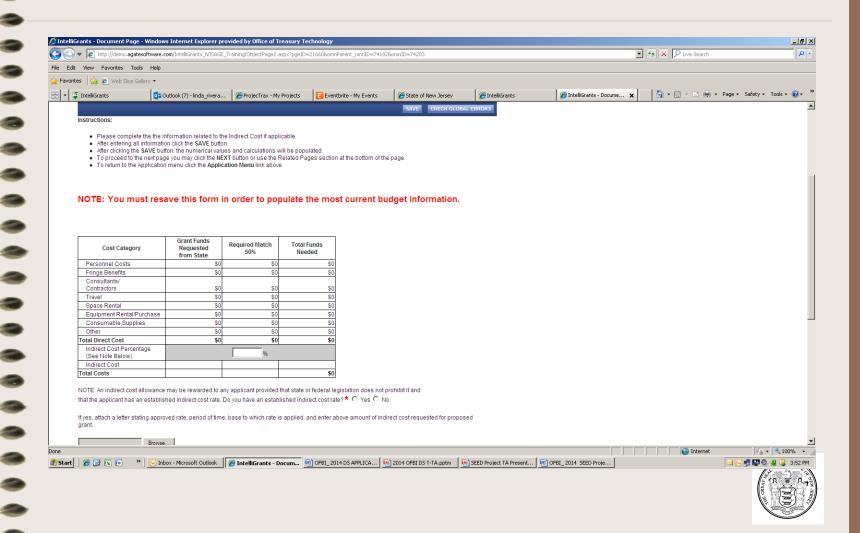
SAGE (consultants/contractors)



SAGE (other cost categories)



SAGE (Overall budget)



Application Requirements (Cont.)

SECTION 5 Required Appendices

- Copy of Certificate of Incorporation;
- Copy of IRS 501(c)3 Status Determination Letter;
- Board Resolution;
- Letters of Support from each of your social purpose alliance partners;
- State of New Jersey W-9 Questionnaire;
- Copy of Most Current Certificate of Standing

Application Requirements (Cont.)

SECTION 6 Required Appendices

Please attach the following required appendices under the Appendices section in SAGE:

- Letter from banking institution indicating that the 25 percent cash match is available as of May 2, 2013;
- SEV brochures;
- Resume of key employees that will support the SEV;
- List of business equipment the support the SEV (if applicable);
- Copies of press articles and advertisements relative to the SEV;
- Pictures and location and products of the SEV;
- Information supporting the growth of the SEV to address the identified social issue being addressed;
- Key SEV agreements, such as lease, contracts, etc.
- Job description and resume of key personnel (executive leadership, fisq management, program staff)

Acceptable Attachment File Size and Types

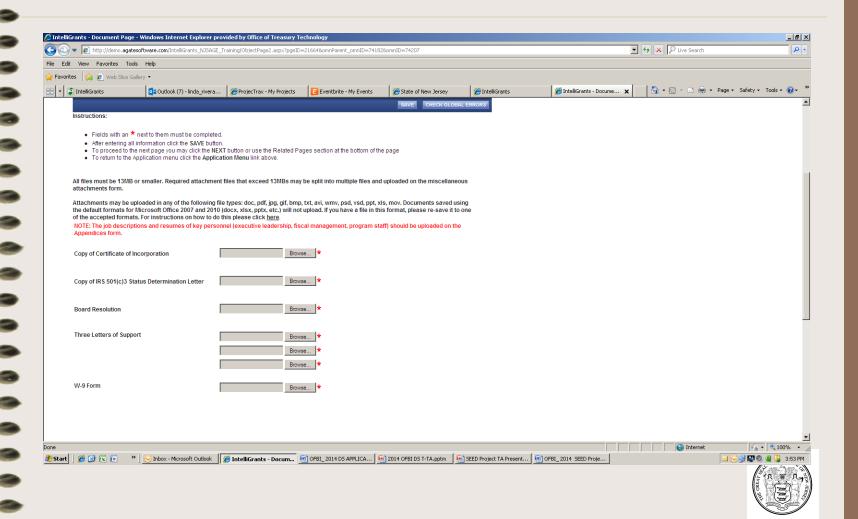
• SIZE: 13 MB for a single file

File types supported by SAGE for attachments (.doc, .pdf, .jpg, .gif, .bmp, .txt, .avi, .wmv, .psd, .vsd, .ppt, .xls, .mov)

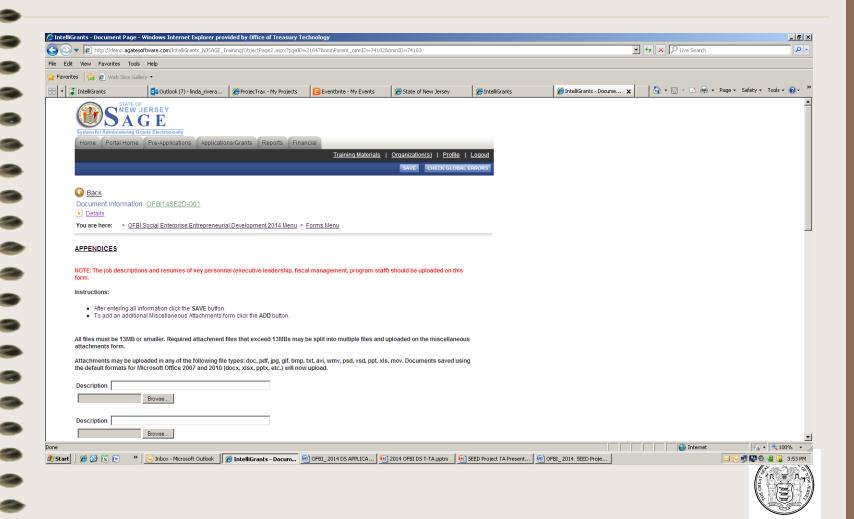
• Microsoft Office 2007 formats (xlsx, docx, etc.) <u>are now accepted</u>.



SAGE (required appendices)



SAGE (appendices)



APPLICATION SUBMISSION

- Applications must be submitted on the SAGE online system.
- Deadline is:04:59 PM on June 20, 2013
- Paper nor faxed applications will be accepted!



SECTION 3

COMPLETING THE APPLICATION



Review of Applications

Program Procedures:

- Applications are submitted to the OFBI on the System for Administering Grants Electronically (SAGE) and reviewed by an outside independent panel. Final determinations will be made by the Director. Recommendation for funding is based solely on the merit of the application. Applications that are rated 69 percent or lower will not be recommended for funding. Award and denial letters are e-mailed to the appropriate organizations via the SAGE system.
- OFBI funding period is from July 1, 2013 to June 30, 2014.



Application Checklist

• Make sure you include all items in the application!

 Those with missing sections will be deemed ineligible and will not be forwarded for review.



REMINDERS

APPLICATION SUBMISSION DUE DATE 04:59PM on Thursday, June 20, 2013



GOOD LUCK TO ALL OF YOU!!!





Edward LaPorte, Executive Director

Telephone: 609-292-9808

E-Mail: edward.laporte@sos.state.nj.us

Linda V. Rivera, Program Officer

Telephone: 609-777-4134

E-Mail: linda.rivera@sos.state.nj.us

Kyesha Harris, Program Officer

Telephone: 609-341-2737

E-Mail: kyesha.harris@sos.state.nj.us